

THE PITTSBURGH & LAKE ERIE RAILROAD COMPANY

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EXECUTIVE VICE PRESIDENT
& GENERAL COUNSEL

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PITTSBURGH, PA. 15219
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January 11, 1980

0-014A046

11358
RECORDATION NO. Filed 1425

Date JAN 14 1980
Fee \$ 50.00

Ms. Agatha Mergenovich
Secretary
Interstate Commerce Commission
12th and Constitution Ave.
Washington, D. C. 20423

JAN 14 1980 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

ICC Washington, D.C.

Dear Ms. Mergenovich:

Enclosed for filing with the Commission pursuant to Section 11303 of the Interstate Commerce Act is the original document described below, together with four additional counterparts. The document is:

Mortgage of Railroad Rolling Stock, dated as of January 11, 1980, between The Pittsburgh and Lake Erie Railroad Company, Mortgagor, and Pittsburgh National Bank, Mortgagee.

In compliance with the Commission's rules and regulations, you are advised as follows:

MORTGAGOR: The Pittsburgh and Lake Erie Railroad Company
P&LE Terminal Building
Pittsburgh, Pennsylvania 15219

MORTGAGEE: Pittsburgh National Bank
Pittsburgh National Building
Fifth Avenue at Wood Street
Pittsburgh, Pennsylvania 15222

The following is a general description of the railroad rolling stock covered by said document:

<u>No. of Units</u>	<u>Description</u>	<u>A.A.R. Mechanical Designation</u>	<u>Identifying Road Nos.</u>
15	100-ton 52'6" steel floor gondolas	GBS	P&LE-46575-46589 (both inclusive)
95	70-ton 50'6" heavy duty box cars	XL	P&LE-7200-7299 (except 7207, 7252, 7261, 7278, 7295)

Ms. Agatha Mergenovich

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January 11, 1980

There is also enclosed Pittsburgh and Lake Erie Railroad Company voucher in the amount of \$50.00, payable to the Treasurer of the United States, to cover the recordation fee.

Please acknowledge receipt at your earliest convenience by stamping and returning to me the original document, together with two counterparts.

Very truly yours,

Gordon E Neuenschwander, Jr.

encs.

Interstate Commerce Commission
Washington, D.C. 20423

1/14/80

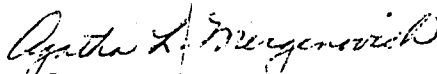
OFFICE OF THE SECRETARY

Gordon E. Neuenschwander
The Pittsburgh & Lake Erie RRD. Co.
324 P & LE Terminal Buiding
Pittsburgh, PA. 15219

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/14/80 at 10:15am , and assigned re-recording number(s). 11358 & 11359 & 11359-A

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

11358
RECORDATION NO. Filed 1425

JAN 14 1980 - 10 15 AM

INTERSTATE COMMERCE COMMISSION

MORTGAGE OF RAILROAD
ROLLING STOCK

THE PITTSBURGH AND LAKE
ERIE RAILROAD COMPANY
MORTGAGOR

PITTSBURGH NATIONAL BANK
MORTGAGEE

DATED AS OF JANUARY 11, 1980

MORTGAGE OF RAILROAD ROLLING STOCK

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a corporation organized and existing under the laws of the State of Delaware with offices at the P&LE Terminal Building, Pittsburgh, Pennsylvania 15219 ("Mortgagor") and PITTSBURGH NATIONAL BANK ("PNB"), a national banking association organized and existing under the laws of the United States, with an office at Fifth Avenue and Wood Street, Pittsburgh, Pennsylvania 15222, in consideration of the mutual covenants and agreements contained herein, hereby Recite and Agree as follows:

Recitals

1. Ownership of Units

Mortgagor is the owner of 110 items of railroad rolling stock specifically identified in Schedule 1 hereto, (all of which cars and any other railroad rolling stock covered hereby, whenever acquired, together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated thereinto, and all replacements and substitutions thereof are hereinafter referred to collectively in the plural as the "Units" and in the singular as "Unit").

2. Agreement to Acquire

PNB has agreed, subject to the terms and conditions of an Agreement and Assignment dated as of December 19, 1979 by and between Greenville Steel Car Company and PNB ("Assignment"), to become the assignee of Greenville Steel Car Company's position in that certain Conditional Sales Agreement dated as of December 19, 1979 between Greenville Steel Car Company and Mortgagor (the "Agreement") under which the Mortgagor, subject to the terms of said Agreement, agrees to pay Greenville Steel Car Company the sum of \$7,920,000 together with interest. The Assignment and the Agreement are hereby incorporated herein and all terms defined therein shall have the same meanings herein except only as otherwise defined herein.

3. Agreement to Secure Advances

Mortgagor grants to PNB hereby a security interest in the Units to secure advances made and obligations incurred by PNB under and pursuant to the Assignment and the Agreement.

4. Mortgagor's Obligations

Mortgagor's obligations hereunder shall include the total amount due under the Agreement together with any and all of Mortgagor's other obligations under the Agreement or hereunder of whatever kind and whenever created of Mortgagor to PNB, all of which are covered by this Mortgage and are herein collectively called the "Obligations".

Agreements

5. Mortgage Interest

To secure payment and performance of the Obligations, Mortgagor grants to PNB a continuing security interest in the following, and, if moved, sold, leased or otherwise disposed of, the proceeds thereof:

Whether now in existence or hereafter acquired, all of the following: The Units identified in Schedule 1 hereto (to be further identified, supplemented and added to from time to time); together with all replacements, replacement parts, additions, repairs, repair parts, accessions and accessories incorporated therein and/or affixed thereto, all special tools and devices incorporated therein or used in connection therewith; and together with all products, replacements, additions, substitutions and proceeds (including any claims or insurance payable by reason of loss or damage to the Units) thereof ("Mortgaged Property").

6. Repairs, Alterations, Additions, Improvements and Expenses

Mortgagor will keep or cause to be kept each Unit in good repair, condition and working order and will furnish or cause to be furnished all parts, mechanisms and devices required to keep each Unit in good mechanical and working order and in compliance with the laws to which reference is made in Section 7 hereof. PNB shall have no responsibility for any cost arising under this Section or for any expense arising out of or necessary for the operation and use of the Units, including but not limited to maintenance, repairs and replacement parts, storage, tolls, tariffs, fines, registration and insurance fees for all insurance required hereby.

7. Use and Standards of Use and Repair

Mortgagor will repair, keep in repair and cause the Units to be used in a careful and proper manner and will comply with and conform to and with all current and future federal, state, municipal, police and other laws, ordinances and regulations relating to the possession, use or maintenance of the Units. Mortgagor will comply with all rules, interpretations, codes and orders governing use, hire, condition, repair and all other matters interpreted as being applicable to the Units during the effectiveness hereof by and of the American Association of Railroads ("AAR") and any other organization, association, agency or governmental authority, including the Interstate Commerce Commission and the Department of Transportation, which may during the effectiveness hereof be responsible for or have authority to promulgate such rules, interpretations, codes and orders. Mortgagor agrees to indemnify and hold PNB safe and harmless from and against any and all claims, costs, expenses (including without limitation attorneys' fees), damages and liabilities claimed, arising from or pertaining to such laws, ordinances, regulations, rules, interpretations, codes and orders.

8. Supplemental Schedules and Identification

In the event of any addition or substitution of Mortgaged Property hereunder, Mortgagor will forthwith prepare and submit to PNB Supplemental Schedules in form and substance satisfactory to PNB. In addition, Mortgagor will affix or cause to be affixed to each Unit and maintain throughout the effectiveness hereof, the marks and stencils recited in the Schedule. Mortgagor agrees to join with PNB in the execution of any documents and to pay all recording costs, fees and taxes associated therewith which PNB may request to give evidence of PNB's interest in the Units and Mortgagor agrees that PNB may give notice of such interest to any and all of Mortgagor's creditors.

9. Insurance

The Mortgagor will at all times prior to the payment in full of the Obligations secured hereby, at its own expense, cause to be carried and maintained insurance in respect of the Units at the time subject hereto in amounts and against risks customarily insured against by railroad companies on similar equipment, and in any event in amounts and against risks comparable to those insured against by the Mortgagor on similar equipment owned by it.

10. Loss or Damages

If damage occurs to any of the Units Mortgagor at his option shall:

(a) Cause the Unit which has suffered the damage to be placed in the repair, condition and working order required hereby;

(b) Declare that the Unit has suffered an Event of Loss in which event Mortgagor shall substitute for the Unit so lost another item of railroad rolling stock of the same type having approximately the same value as the Unit lost.

In the event the Mortgagor elects to repair the Unit which suffered the damage PNB will, upon proof satisfactory to it of the completion of all necessary repair, release to the Mortgagor any insurance proceeds received by PNB as a result of the occurrence of the damage.

11. Assignment

Mortgagor will not sell, assign, sublet, pledge, hypothecate or otherwise encumber or suffer a lien upon or against any interest in the Units without the prior written consent of PNB. PNB may assign this Mortgage or any right and title it has hereunder upon written notice thereof to Mortgagor and such assignment shall be on terms and conditions not inconsistent herewith.

12. Default

Mortgagor shall be deemed to be in default hereunder in the event that (a) it fails to comply with any of the terms hereof or (b) an Event of Default should occur under Article 16 of the Agreement.

13. Enforcement of Security and Remedies

In the event of default hereunder, then, or at any time thereafter (such default not having previously been cured), PNB may declare all of the Obligations to be immediately due and payable, without notice or demand therefor, and shall then have all remedies hereunder, under the Agreement and all the remedies of a secured party under the laws of the Commonwealth of Pennsylvania, or any other applicable laws, including, without limitation, the right to take possession of the Units, and for that purpose

PNB may require Mortgagor to make the Units and the records thereof available to PNB at a place to be designated by PNB reasonably convenient to both parties and may, so far as Mortgagor can give authority therefor, enter upon any premises on which the Units or any part or records thereof may be situated and remove the same therefrom, and Mortgagor hereby waives and releases PNB of and from any and all claims in connection with such removal.

The parties hereto recognize that the Units may and probably will be widely scattered geographically, difficult of preservation and disposition, important to the continued operation of shippers and subject to complex maintenance and management. Accordingly, those parties agree that, after default, PNB is to have the widest possible latitude to preserve and protect the Units and its security therein and agree further that, at its option, PNB shall have the unqualified right to appointment of receivers for the preservation, possession, protection and disposition of all or part of the Units and the collection and protection for PNB of any proceeds of use or disposition thereof and/or to do any other thing and exercise any rights or remedies which PNB may or might, with or without judicial process, do or exercise.

After PNB takes or receives possession of the Units following default hereunder, PNB may sell, lease or otherwise dispose of the Units in any manner permitted by law, and if such notice is required by law, PNB will give Mortgagor written notice of the time and place of any public sale of the Units or of the time after which any private sale or other intended disposition thereof is to be made, and at any such public or private sale PNB may purchase all or any part of the Units. The parties hereto agree that notice under this paragraph shall not be unreasonable as to time if given in compliance herewith 10 days prior to sale or other disposition.

To the extent permitted by applicable law, Mortgagor hereby waives any rights for or hereafter conferred by statute or otherwise which may require PNB to sell, lease or otherwise use any Units in mitigation of PNB's damages as set forth in this Section or which may otherwise limit or modify any of PNB's rights or remedies under this Section.

Mortgagor shall pay to PNB, on demand and as part of the obligations secured hereunder, all costs and expenses, including court costs, legal expenses and reasonable attorneys' fees, incurred by PNB in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof.

14. Concurrent Remedies

No right or remedy of PNB hereunder shall be exclusive of any other remedy herein or by law provided; each right or remedy shall be cumulative and in addition to every other right or remedy and, in addition, the exercise of any remedy by PNB hereunder shall not of itself constitute a recognition of a default of all provisions hereof or of an intent by PNB to terminate all the provisions hereof. Moreover, a failure of PNB to insist upon strict compliance with the terms hereof or to assert any right or remedy hereunder shall not be a waiver of any default and shall not be determined to constitute a modification of the agreements of the parties hereto or the terms hereof or to establish any claim or defense.

15. Mortgagee's Payment

In the event that Mortgagor should fail duly and promptly to perform any of the things required to be performed hereunder, PNB may, at its option, immediately or at any time thereafter, perform the same for the account of Mortgagor without thereby waiving any default, and any amount paid or expenses or liability incurred by PNB in such performance, together with interest thereon at the rate of one percent (1%) per annum in excess of the Prime Rate as that rate may change from time to time until paid shall be payable to PNB by Mortgagor on demand and shall be and become part of the obligations secured hereunder.

16. Notice

Except as otherwise specifically provided herein, notice shall be deemed to have been properly given to Mortgagor when deposited in the United States mail, first class postage prepaid and addressed to The Pittsburgh and Lake Erie Railroad Company, P&LE Terminal Building, Smithfield and Carson Streets, Pittsburgh, Pennsylvania 15219, Attention: Corporate Treasurer. Any communication to PNB shall be deemed properly given if similarly mailed to Pittsburgh National Bank, Pittsburgh National Building, Fifth Avenue and Wood Street, Pittsburgh, Pennsylvania 15222, Attention: Commercial Division Group D. Either party hereto may at any time change its address for notification purposes by mailing, as aforesaid, a notice stating the change and setting forth the new address.

17. Financial Information

During the term hereof the Mortgagor will furnish to PNB, within 90 days after each fiscal year of the Mortgagor a

copy of the annual audited report prepared by an independent certified public accountant, chosen by the Mortgagor subject to PNB's approval, which approval will not be unreasonably withheld, and within 30 days after each of its fiscal quarters, unaudited financial statements showing its financial condition at the close of such fiscal quarter and the results of its operations for the period ended certified by a proper accounting officer of the Mortgagor. Each such annual report and quarterly statement shall contain an additional certification by a proper accounting officer of the Mortgagor that the Mortgagor is not in default under the terms of the Agreement.

18. Miscellaneous

All covenants and agreements in this Mortgage contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not, except that Mortgagor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of PNB.

The titles to the various sections of this Mortgage are solely for convenience and are not a part of the Mortgage for purposes of interpreting the provisions hereof.

This Mortgage, the Schedule, or any other instruments, documents or agreements to be delivered hereunder, are being executed and delivered and are intended to be performed in the Commonwealth of Pennsylvania. The parties hereto agree that the law of the Commonwealth of Pennsylvania shall govern their rights and duties hereunder, excepting applicable federal law.

This written agreement is exclusive as to its subject matter and no inconsistent oral agreement shall be binding.

IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be duly executed by their respective duly authorized officers as of the 11th day of January, 1980.

ATTEST:

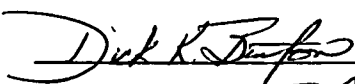
THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY

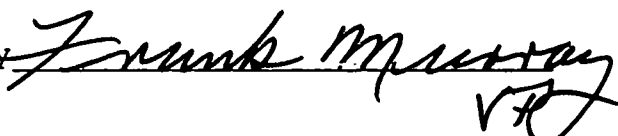

Assistant Secretary

By 
President

ATTEST:

PITTSBURGH NATIONAL BANK


-7-

By 
VH

SCHEDULE 1

To Mortgage of Railroad Rolling Stock
Dated January 11, 1980

Description of Equipment (Units):

<u>Type</u>	<u>ARR Mechanical Designation</u>	<u>NUMBER of Units</u>
100 Ton 52' 6" Steel Floor Gondolas	GBS	15
70 Ton 50' 6" Heavy Duty Boxcars	XL	95

<u>Identifying Marks</u>	<u>and</u>	<u>Road Serial Numbers</u>
P&LE		46575 - 46589 inclusive
P&LE		7200 - 7206 inclusive
		7208 - 7251 inclusive
		7253 - 7260 inclusive
		7262 - 7277 inclusive
		7279 - 7294 inclusive
		7296 - 7299 inclusive

Legend to be placed on each unit in one inch letters:

"Ownership subject to a security interest
filed with the Interstate Commerce Commission"

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 11th day of January, 1980, before me personally appeared Archie Murray to me personally known, who, being by me duly sworn, says that he is Vice Pres. of Pittsburgh National Bank, that the seal affixed to the foregoing instrument is the corporate seal of Pittsburgh National Bank, and that the foregoing instrument was signed on behalf of Pittsburgh National Bank by authority of its Articles of Incorporation and By-Laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of Pittsburgh National Bank.

Anna M. Clear
Notary Public

(NOTARIAL SEAL)

My Commission Expires:
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES NOV. 19, 1983
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On this 11th day of January, 1980, before me personally appeared H. G. ALLYN, JR. to me personally known, who, being by me duly sworn, says that he is President of The Pittsburgh and Lake Erie Railroad Company, and as such President and being authorized to do so, executed the foregoing instrument for the purposes therein contained for and on behalf of The Pittsburgh and Lake Erie Railroad Company.

Molly A. Tegeler
Notary Public

(NOTARIAL SEAL)

My Commission Expires:

MOLLY A. TEGELER, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES OCT. 17, 1983
Member, Pennsylvania Association of Notaries